DEPARTMENT OF SOCIAL & HEALTH SERVICES
Medical Assistance Administration
January 28, 2005

SeaTac Marriott Hotel
3201 S. 176th Street
Seattle, WA 98188

Members Attending

Janet Varon
Maria Nardella
Chris Jankowski, OD
Claudia St. Clair
Barbara Malich
Eleanor Owen
Blanche Jones
Jerry Yorioka, MD
Allena Barnes

Members Not Attending

David Gallaher
Mark Secord
Elyse Chayet
Kathy Carson
Steven Gobin
Paulette Roe

MAA Staff

Doug Porter
Debbie Meyer
Jim Stevenson
Roger Gantz
Steven Wish

Guests

Ken Stark
Bob Perna

Approval of the Minutes

Approving the minutes for the November 19 Title XIX Advisory Committee meeting were deferred until the March meeting, because of several suggested changes to the minutes.

The Executive Committee members requested that the minutes be sent out to members several weeks in advance of each meeting so they can be read more closely.

Community Reports

Claudia St. Clair - MAA, CHPW and Molina Healthcare attended a meeting in Whatcom County on access issues – specifically concerning specialty care access. Claudia felt that issues were being addressed and that she would have more news at the next meeting.

Barbara Malich – Barbara said there is a perception of accelerating physician flight or retirement. In Mason County there has been a change because of that. Barbara believes that the issue is more of a problem in rural counties.

Dr. Yorioka – He feels that a big issue is the cost of malpractice insurance and asked if there might be a way to find more doctors willing to volunteer their time. It's his understanding that when physicians volunteer their time there is a lower cost for malpractice insurance.

Maria Nardella – Nothing much to report in DOH. Staff are very busy with the legislative session already.

Janet Varon – There is a significant effort in this session to pass legislation that would require more large employers to either provide health insurance for their employees or pay to subsidize public health programs. It's called the Health Care Responsibility Act. A major issue still unresolved is how this "pay or play" system would make sure that people don't get forced into less coverage than they had before.

Barb Malich – Thanks to Jim and Debbie for the additional information that is now going out to the advisory committee members by e-mail. It's very helpful to receive this information so quickly.

Eleanor Owen – This legislative session is the most important session that she has been involved in. The Cody bill will shake up the entire mental health system, although opponents of that bill are trying to undermine it. She believes it will be the best bill to come out of the session if it passes. HB 1290 would open the current Regional Support Network system and allow bidding for contracts to provide mental health care. The other aspect of the bill is that it is demanding changes in how things are going to be reported

Substance Abuse Initiative

Doug introduced Ken Stark, who is the director of the Division of Alcohol and Substance Abuse. In 1993 DSHS used a federally-funded phone survey to study the universe of treatment need. What the survey found was that 11.l % of clients at 200% FPL needed treatment. However, DASA follow-up analysis showed that only 25% of those people were actually getting the treatment they needed.

Ken said: "We are now seeing that the need for treatment is increasing, so we're losing ground in getting treatment out to the people. Not getting treatment causes other issues in medical care -- homelessness, increase in jail population, etc. … When you add all this up, this causes a huge cost when you can't get drug and alcohol treatment to the people who need it."

Ken said the agency's current treatment initiative ("bridging the treatment gap") is looking at expanding and targeting the Medicaid area because it's one of the areas that we can show research where treatment is a success.

We've looked at birth outcomes, and focused on the SSI clients because they are high utilizers of other services.

DASA has taken this group of clients and compared them to a group of people that didn't get treatment and looked at the cost offsets. They found that the group getting treatment didn't utilize the ER services that they had in the past. There also were savings in the nursing home budget as a result of services being available quicker..

Recovery House – about 60 days inpatient program, we pay $39 a day for meals, services and shelter. Intensive inpatient program pays $66 a day. This is usually about a 21-day intensive program.

DASA is asking for an additional $54 million next biennium in the form of authority to realign the dollars that are given to DASA. This initiative is in Governor Locke's Book One budget -- the balanced budget that the Governor is required to submit – and Ken said he is hopeful that the initiative will also make Governor Gregoire's Book One budget as well.

Barb Malich asked about coverage for the uninsured. Ken stated that this funding is only for those who have Medicaid. With so many other demands on the state dollars, the state's request did include a cost for serving children as well, but the larger budget request was not included in the Governor's Budget. He said DSHS will have to start small, show the cost offsets and then try to make headway with the uninsured and other funding.

Criminal justice dollar offsets – we are not able to tap these resources because those dollars are not in the DSHS budget, they would be in a different agency.

Medicare Part D Impact on Medicaid

Doug Porter said MAA met with CMS and Social Security Administration staff about a week ago to talk about the implementation. They are intending to roll out the following:

In May, a letter will be sent to people who are covered under the lower subsidy area that there is. The letter will talk about a new program coming and that they are eligible for this program.

In June another letter will go out to people who would be below 150% of FPL.

MAA had estimated that 140,000 Washington State residents might be in this second group, but Doug and others were dismayed that the federal planners intend to send out up to 330,000 notices to Medicaid and non-Medicaid clients. The application will be translated into 14 languages, but the applications can only be filled out in English or Spanish.

In Doug's opinion, the letter and application will confuse most of the Medicaid clients who receive it, since they already get their prescription drugs through Medicaid and probably will wonder how the new system will change the way they get their drugs and cover their costs.

Although the letters will be sent out late this spring with directions to return the applications by early fall, it won't be until November of 2005 that the low-income subsidy folks will actually have an opportunity to enroll. In addition, Medicaid clients' current coverage will terminate in January 2006. That means those clients will have only a few weeks to enroll in a plan to receive their prescription drugs after January 1.

SSA says that if they don't choose a plan, they will be assigned to one. There is also a legal requirement that the CSOs be determine eligibility for the Medicare Part D program. It isn't clear how the CSOs would do this, however.

Social Security is planning on a mass marketing program and they are planning on radio, TV, and community-based efforts to talk about Part D. The Social Security Administration will be using SHIBA to assist in marketing. SHIBA is within the Office of the Insurance Commissioner.

We are getting a better understanding of the program and are looking at these issues:

- How will dual eligibles in a nursing home setting receive their prescriptions?

- MAA has formed a Part D steering committee and have a workgroup dealing with all the issues and there is a lot of work to be done. Doug will keep the committee apprised of how things are going.

Janet would like to see a community group involved in learning how the state will deal with this program and making sure that there is common information established that will get out to the community advocates who will be talking with the clients involved. Janet believes that we need to determine how a community group could help get information out to clients and client advocates.

The steering committee will be preparing a document that will be shared with legislative staff, and we will also have to brief the Governor on the issues.

If there was a working group, there would have to be an understanding that the state is not leading this initiative. This is primarily a Social Security Administration-directed endeavor. The state is just trying to determine if we are going to offer eligibility in the local offices.

Janet agreed to collect comments and issues from the committee members and she will share with David Hanig.

P & T Committee

This committee was formed by MAA, the Health Care Authority and the Department of Labor & Industries under legislation that reorganized the state's ability to identify and develop a preferred drug list. The committee has been doing a great job. They are working in a very conscientious and thorough review. At their next meeting, they will be looking at putting together a preferred drug list for the anti-psychotic drugs.

Governor Gregoire's defers children's premiums

This week the Governor held a press conference where she stated that she was restoring 12-month continuous eligibility for children and families and eliminating the six-month review cycle. These two processes were instituted in 2003 as part of a budget-tightening exercise by the Legislature at the recommendation of MAA, which saw them as potential savings tools and in part because unfavorable audit findings had singled out the lack of those eligibility issues for criticism. But over the time since, the moves have been credited with actually dropping the level of children's enrollment in the program, and advocates had asked both Governor Locke and Governor-elect Gregoire to reconsider the measures.

Governor Locke's Book 2 proposed restoration of the 12-month continuous eligibility and elimination of the 6-month eligibility reviews. Governor Gregiore's press conference basically agreed with those findings and implemented them.

MAA has not yet nailed down how long it will take to restore the 12-month continuous eligibility, since the process is embedded in several computer systems, including ACES (Automated Client Eligibility System). The administration estimates it will be able to eliminate the 6-month eligibility reviews in April or May of this year.

Legislation also has been proposed to make these moves permanent, along with ruling out future Medicaid children's premiums and re-enrolling the legal immigrant and undocumented children populations who were trimmed from Medicaid and sent to Basic Health two years ago.

MAA Children's Enrollment and Access study

Roger Gantz said the administration expects to issue a preliminary report on the children's enrollment decline next week. He said he would like to schedule time for David Mancuso the author of the report, to attend the March meeting of the Advisory Committee.

Role of the Medical Assistance Advisory Committee

Allena Barnes shared information about her research into various state's Medicaid Advisory Committees. Her assignment stemmed from the executive committee's desire to build a stronger and better committee, one where people feel that the time they spend is being valued. Allena said it was good to look at what other states are doing and decide if there are practices Washington can incorporate into its committee structure.

Roger felt that the committee might want to consider broader issues beyond medical assistance, scheduloing more presentations like the one by Ken Stark. He said staff from DDD or Mental Health could present more information about the other programs that depend on Title XIX funding.

Allena said she had talked with Alaska's committee members. That state holds an orientation session for new members once a year so that everyone will understand the purpose of the committee.

Statewide Medicaid Audit

The state's Medicaid audit was the subject of an annual audit for 2004. In its 21 findings, the State Auditor's team concluded that it did not receive sufficient information or assistance from DSHS and that the audit therefore could only disclaim the entire $6 billion spent on Medicaid programs in fiscal year 2004. Doug noted that the disclaimer did not mean that the money was wasted or spent inappropriately – just that the audit team claimed it was not able to say the money was spent correctly. In many cases, MAA disputes the auditor's claims. However, in the wake of that audit, MAA has asked the federal auditors in the Inspector General's Office in Health & Human Services to review those findings and try to improve the communication between MAA and the auditor.

Doug said the Auditor's findings fell into three categories – 1) Some findings we agreed with and we are working on fixing those findings; 2) Some findings we concur with, but we cannot fix the findings because our system doesn't allow; and 3) Some findings we disagreed with entirely and felt the Auditor's team misunderstood Medicaid rules or procedures.

As the audit cycle begins this year, MAA also is proposing some new protocols that would be used between DSHS and the State Auditors Office. MAA's hope is that the changes will upgrade communications and prevent future breakdowns in procedures.